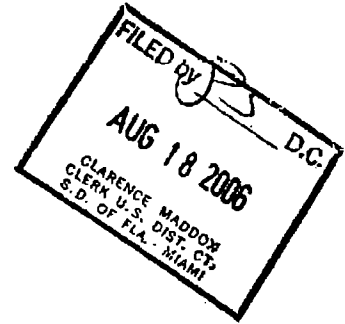


UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

No. 05-60328-CIV -Altonaga/Turnoff



COMMODITY FUTURES TRADING)
COMMISSION,)

Plaintiff,)

v.)

MERCURY PARTNERS, INC., a)
Bahamian corporation, MERCURY)
FINANCIAL PARTNERS, INC., a)
Florida corporation, MERCURY)
MANAGEMENT, L.C., a Florida)
limited liability company, ANDREW)
BARTOS, an individual, BRUCE N.)
CROWN, an individual, and)
MICHAEL MORGAN, an individual,)

Defendants.)

Consent Order of Permanent
Injunction and Other Equitable Relief
Against Defendant Bruce N. Crown

CONSENT ORDER OF PERMANENT INJUNCTION AND OTHER EQUITABLE
RELIEF AGAINST DEFENDANT BRUCE N. CROWN

I.

INTRODUCTION

On March 30, 2005, Plaintiff Commodity Futures Trading Commission ("Commission," "CFTC," or "Plaintiff") filed an Amended Complaint against Bruce N. Crown ("Crown"), Andrew Bartos ("Bartos"), Michael Morgan ("Morgan"), Mercury Partners, Inc. ("Mercury Partners"), Mercury Financial Partners, Inc. ("Mercury Financial"), and Mercury Management LC ("Mercury Management") seeking injunctive and other equitable relief for violations of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 1 *et seq.* (2002), and various Commission

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Regulations ("Regulations"), 17 C.F.R. §§ 1.1 *et seq.* (2004). Crown filed his Answer on May 7, 2005.

II.

CONSENTS AND AGREEMENTS

To effect settlement of the matters alleged in the Amended Complaint in this action without a trial on the merits or further judicial proceedings, Crown:

1. Consents to entry of this Consent Order of Permanent Injunction and Other Equitable Relief Against Defendant Bruce N. Crown ("Order");
2. Affirms that he has read and agreed to this Order voluntarily, and that no promise or threat has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Order, other than as set forth specifically herein;
3. Acknowledges service upon him of the summons and complaint in this action;
4. Admits that this Court possesses personal and subject matter jurisdiction over him and this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;
5. Admits that venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;
6. Waives:
 - a. All claims that he may possess pursuant to the Equal Access to Justice Act ("EAJA"), 5 U.S.C. § 504 (2000) and 28 U.S.C. § 2412 (2000) relating to or arising from this action and any right under EAJA to seek costs, fees and other expenses relating to or arising from this action;

b. Any claim of double jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing injunctions, a civil monetary penalty or any other relief; and

c. All rights of appeal from this Order;

7. Consents to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Order and for any other purpose relevant to this matter even if Crown, now or in the future, resides outside the jurisdiction;

8 By consenting to the entry of this Order, Crown neither admits nor denies the allegations contained in the CFTC's Complaint, Amended Complaint or the Findings of Fact and Conclusions of Law made by this Court and contained in this Order, except as to jurisdiction and venue, which he admits;

9. Agrees that neither he nor his agents, employees or representatives acting under their control, shall not take any action or make any public statements denying, directly or indirectly, any allegations in the Complaint or the Amended Complaint or findings in this Order, or creating or tending to create the impression that the Complaint, the Amended Complaint and this Order are without factual basis; provided, however, that nothing in this provision shall affect Crown's (i) testimonial obligations, or (ii) his right to take legal positions in other proceedings to which the Commission is not a party. Crown will undertake all steps necessary to assure that his agents, employees and representatives understand and comply with this agreement;

10. Crown agrees and intends that the allegations of the Complaint, Amended Complaint, and all of the Findings of Fact and Conclusions of Law made by this Court and contained in Part III of this Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of any current or subsequent bankruptcy proceeding

filed by, on behalf of, or against him. Crown further agrees to provide immediate notice of any bankruptcy filed by, on behalf of, or against him and shall provide immediate notice of any change of address, phone number, or contact information in the manner required by this Order. No provision of this Order shall in any way limit or impair the ability of any person to seek any legal or equitable remedy against Crown in any other proceeding:

11. Crown agrees to cooperate with Commission staff in the continuing litigation of this matter against any Defendant not a party to this Order. As part of such cooperation, Crown agrees, subject to all applicable privileges, to comply fully, promptly and truthfully to any inquiries or requests for information or testimony, including but not limited to, testifying completely and truthfully in this action and producing statements or trial declarations to the Commission related to any trial of the subject matter of this proceeding.

III.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Order and that there is no just reason for delay. The Court therefore directs the entry of findings of fact, conclusions of law and a permanent injunction and equitable relief, pursuant to § 6c of the Act, 7 U.S.C. § 13a-1, as set forth herein.

12. This Court has subject matter jurisdiction over this action and the allegations in the Complaint and Amended Complaint pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1.

13. This Court has personal jurisdiction over Crown pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1.

14. Venue properly lies with this Court pursuant to Section 6e of the Act, 7 U.S.C. § 13a-1, because during the time of the acts complained of, Crown resided in and transacted business in the Southern District of Florida.

15. The Court shall retain jurisdiction over each party hereto for the purpose of enforcing the terms of this Order.

16. The **Commodity Futures Trading Commission** is an independent federal agency that is charged with responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. §§ 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.*

17. **Bruce N. Crown** is currently incarcerated at Jessup Federal Correctional Institution, Jessup, Georgia.

18. From at least August 18, 2004 through approximately November 10, 2004, Defendants fraudulently solicited customers to purchase options on foreign currency contracts ("foreign currency options"), accepted approximately \$148,756 of customer money to purchase such options, but failed to use the customer money to purchase foreign currency options.

19. Crown was employed at Mercury Partners during August and September 2004 to solicit members of the general public, and to train others to solicit members of the general public to open commodity futures and options trading accounts.

20. To entice prospective customers to send their money to Mercury Partners, Crown made material misrepresentations about the profit potential and risk of loss associated with purchasing foreign currency options. For example, in August 2004, Crown told one customer that she would earn a large profit if she purchased foreign currency options on the Euro dollar. Crown also told two other customers that they would earn a substantial profit if they purchased foreign currency options.

21. Crown's sales solicitation fraud to customers in connection with the sale of foreign currency options violated § 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.9(a) and (c), 17 C.F.R. § 32.9 (a) and (c).

22. After leaving Mercury Partners, Crown continued to solicit a former Mercury Partners' customer. On or about September 30, 2004, Crown told one customer that he needed money to buy out a position that his 96 year-old father had taken in NYMEX crude oil options through Goldman Sachs. Crown sought the customer's help in purchasing his father's position. In exchange, Crown agreed to share the profits from the option transaction with her. Unknown to the customer, neither Crown, nor his father, nor the customer maintained a commodity trading account at Goldman Sachs.

23. The customer subsequently sent \$50,000 directly to Crown on or about September 30, 2004, to buy out Crown's father's NYMEX crude oil options. In November 2004, Crown sent the customer a handwritten letter allegedly verifying that he indeed purchased these NYMEX crude oil options.

24. Crown did not use the customer's money to purchase NYMEX crude oil options through Goldman Sachs. Rather, Crown deposited the customer's check into his personal bank account at BankAtlantic. In early October 2004, Crown withdrew the entire \$50,000 for his personal use.

25. Crown's actions violated § 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 33.10, 17 C.F.R. § 33.10.

26. Plaintiff has demonstrated good cause why equitable remedies, including restitution, civil money penalties, and trading bans, should be imposed on Crown as set forth below.

IV.

ORDER OF PERMANENT INJUNCTION

Based upon and in connection with the foregoing conduct,

IT IS HEREBY ORDERED THAT:

27. Crown is permanently restrained, enjoined, and prohibited cheating or defrauding or attempting to cheat or defraud other persons; making or causing to be made to other persons false reports or statements thereof, or causing to be entered for other persons false records thereof; and willfully deceiving or attempting to deceive other persons in or in connection with an offer to enter into, the entry into, or the confirmation of the execution of any commodity option transaction, in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) and Regulations 33.9(a) and (c), and 33.10, 17 C.F.R. § 33.9(a) and (c), and 33.10, including but not limited to engaging in any commodity related activity that:

- a. solicits customers for funds;
- b. misappropriates customer funds;
- c. misrepresents the existence of a commodities trading account; and
- d. misrepresents the risks and rewards of commodities trading.

IT IS FURTHER ORDERED THAT:

28. Crown is permanently restrained, enjoined and prohibited from directly or indirectly:

- a. engaging in, controlling or directing the trading for any commodity futures, security futures, options, options on futures, or foreign currency options account, in any markets or on any entity regulated by the Commission for himself or on behalf of any other person or entity, whether by power of attorney or otherwise; and

b. applying for registration or seeking exemption from registration with the Commission in any capacity or engaging in any activity requiring registration or exemption from registration, except as provided for in Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9), and acting, directly or indirectly, as a principal, officer, director, supervisor, agent or employee of any person registered, required to be registered or exempted from registration, unless such exemption is pursuant to Commission Regulation 4.14(a)(9). This includes, but is not limited to, soliciting, accepting or receiving any funds, revenue or other property from any person, giving commodity trading advice for compensation or soliciting prospective customers related to the purchase or sale of any commodity futures, security futures, options, options on futures, or foreign currency futures, except as provided for in Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).

V.

ORDER FOR OTHER EQUITABLE RELIEF

IT IS FURTHER ORDERED That:

29. Payment of Restitution: Crown is jointly and severally liable with all named Defendants for restitution in the amount of \$148,756 relating to his conduct while at Mercury Partners, as described above in paragraphs 18 through 21, for which judgment is immediately due and owing upon entry of this Order. Crown is also individually liable to Linda Talbot-Keith for additional restitution in the amount of \$50,000, relating to his conduct as described above in paragraphs 22 through 25, for which judgment is immediately due and owing upon entry of this Order. It is further ordered and adjudged that Crown's restitution liability shall be reduced, dollar for dollar, by any amounts paid to Linda Talbot-Keith in connection with

Crown's guilty plea on July 11, 2005, and the related plea agreement in *United States of America v. Bruce Norman Crown*, Case No: 05-60157-CR-COHN, in the United States District Court for the Southern District of Florida.

30. Should Crown fail to pay the total restitution amount to Linda Talbot-Keith in the criminal case, judgment in this matter will not be deemed satisfied and the full restitution amount, reduced by any payments made in the criminal case, will remain due and owing to the Commission in this matter.

31. The National Futures Association (hereinafter "Monitor") is designated as the Monitor to oversee the distribution of any restitution payments made to the Commission by Crown.

32. Any restitution made by Crown to the Commission shall be by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Commodity Futures Trading Commission, and sent to Denise Posey, or her successor, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, under a cover letter that identifies Crown and the name and docket number of the proceedings. Crown shall simultaneously transmit a copy of the cover letter and the form of payment to the Monitor and to Gregory Mocek, or his successor, Director, Division of Enforcement, Commodity Futures Trading Commission, at the following address: Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

33. The Monitor will distribute funds obtained from Crown in an equitable fashion as determined appropriate by the Monitor to all persons who gave funds, either directly or indirectly, to defendants as a result of their course of illegal conduct as alleged in the complaint.

34. **PAYMENT OF CIVIL MONETARY PENALTY:** Crown is ordered to pay a \$240,000 civil monetary penalty. Payment of the civil monetary penalty is due upon completion of full payment of restitution. Crown shall make such civil monetary payment by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Commodity Futures Trading Commission and sent to Dennese Posey, or her successor, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, under a cover letter that identifies Crown and the name and docket number of the proceedings. Crown shall simultaneously transmit a copy of the cover letter and the form of payment to Gregory Mocek, or his successor, Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st, N.W., Washington, D.C. 20581.

VI.

OTHER PROVISIONS

35. **Continuing Jurisdiction of This Court:** This Court shall retain jurisdiction over Crown to assure compliance with this Order and for all other purposes related to this action. Crown must notify the Court and the Commission of his residence within ten (10) days of any move.

36. **Waiver:** The failure of any party to this Order at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Order. No waiver in one or more instances of the breach of any provision contained in this Order shall be deemed or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Order.

37. Successors and Assigns: This Order shall inure to the benefit of and be binding upon Crown's successors, assigns, heirs, beneficiaries, and administrators.

38. Acknowledgments: Upon being served with a copy of this Order after entry by this Court, Crown shall sign an acknowledgment of service and serve such acknowledgment on this Court and the CFTC within seven (7) calendar days.

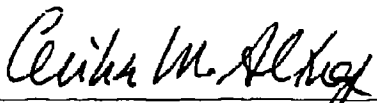
39. Invalidation: If any provision or the application of any provision of this Order is held invalid, the remainder of the Order and the application of the provision to any other person shall not be affected by the holding.

40. Entire Agreement and Amendments: This Order incorporates all of the terms and conditions of the settlement among the parties hereto. Nothing shall serve to amend or modify this Order in any respect whatsoever, unless: (1) reduced to writing; (2) signed by all parties hereto, and (3) approved by further order of this Court.

41. Notices: All notices required to be given by any provision in this Order shall be sent certified mail, return receipt requested, as follows: Notice to Crown, - to his last known residence; Notice to the Commission: Attention, Director of Enforcement, Commodity Futures Trading Commission, Division of Enforcement, 1155 21st Street, N.W., Washington, DC 20581.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order.

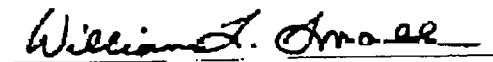
Done and **ORDERED** in Chambers at Miami, Florida, this 18 day of August, 2006.


HONORABLE CECILIA ALTONAGA
UNITED STATES DISTRICT JUDGE

Approved for entry:


Bruce N. Crown

Date: July 10, 2006



William L. Small, Esq. (pro hac vice)
Attorney for Plaintiff
U. S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581
(202) 418-5579 (telephone)
(202) 418-5531 (fax)

Date: August 17, 2006